

President's tax increase continues to mean slower growth, fewer jobs and a less competitive America.

The President used class warfare to justify his need to increase taxes, but in reality, his tax increase hit middle America the hardest, the people he claimed to protect. The President's income tax increase hit small businesses right in their pocketbook. It took more money out of their businesses, out of their pockets and out of their future, money which could have been used to expand or hire new workers. Even Senators KENNEDY and DORGAN, both Democrats, agreed.

Mr. Speaker, this is the major difference now between Republicans and Democrats. Democrats believe Americans should pay more taxes and that the Government deserves more of your money. They believe in raising the minimum wage instead of allowing every American to keep more of what they earn. Democrats believe in big taxes, big Government. They deplore the entrepreneurial spirit, success and self-accomplishment. They believe that if you work harder every day of your life, your own hard work and determination produces results so that you become successful, you should be punished. That is why this administration raised taxes, because they honestly feel that the Government has the right to take what you earn and spend it. They believe they can spend your money better than you can.

Conservatives, on the other hand, believe in a smaller, less intrusive Government, lower taxes and the ability of the American people to succeed. Opportunity, hard work and the Republican ideal is the American dream. We feel that people should be rewarded for success and not punished. We believe that the money you earn is yours to keep. We know this works because Presidents Kennedy and Reagan proved that it does. Their tax cuts, their tax relief allowed people to grow the economy, create jobs and increase the living standard of every American.

Families should not be forced to pay more in taxes than they pay for food, clothing and shelter combined, which is the fact today. To me, that is unacceptable. While I applaud my friend for his amendment, my hope and desire is that we will follow through on another promise and replace the current tax system with one that promotes freedom: That is, F, free, fair and simple; reduces the role of government, R; E-E, by eliminating the IRS, encouraging savings and investment; driving the economy; opportunity for all; and the "m" in "freedom," put more money in the pockets of all Americans.

This is what the country deserves, and this is what we can begin to implement actually next week when I introduce a bill to repeal the 16th amendment to the Constitution, which is the income tax amendment. We must act as soon as possible and rid the Nation of the IRS now.

#### FIVE PROBLEMS WITH REQUIRING A TWO-THIRDS VOTE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Virginia [Mr. MORAN] is recognized during morning business for 5 minutes.

Mr. MORAN. Mr. Speaker, I have only five problems with the issue that was just discussed by the gentleman from Texas to require a two-thirds vote to raise taxes. Actually, the language that would be made part of the Constitution says to make any change in internal revenue law would require two-thirds of this body voting in favor of it. Let me mention the five problems I have with it.

The first is that it is a classic case of political posturing. The second is that it is bad public policy. The third is that it is fiscally irresponsible. The fourth is that it shows contempt for the wisdom of our Founding Fathers. And the fifth is that it is very badly written. But other than those five problems, it is a fine piece of legislation, I suppose.

Mr. Speaker, I have to say I think that this body would be shamed if we were to yield to the kind of political expediency that has brought it to the floor. Let me explain why it is such a classic case of political grandstanding. At the very beginning of this congressional session, when we began the Contract With America, there was a lot of hoopla over the fact that we, on the first day, passed a requirement that there would be a three-fifths vote requirement to raise income taxes. And those who voted for it took a lot of credit, of course, for doing so. But then when it was to apply to the legislation considered by this body, the majority got the Committee on Rules to waive that rule because they knew that those bills could not get three-fifths of the vote. So they did not let it apply to the so-called Tax Relief Act, to the Medicare Improvement Act, to the balanced budget resolution, or even to the health insurance reform legislation that we just recently passed.

All of those bills included some increases in income tax. So for convenience sake, we simply waived the rules because the majority could not get three-fifths of the vote.

But you cannot waive the Constitution. The fact is that none of the major bills that have gone a long ways toward addressing the Reagan debt that occurred during the 1980's because we kept cutting taxes and not cutting expenditures, we did the politically popular thing and not the politically unpalatable thing and created \$3 trillion of debt. Well, almost all of those bills never would have come close to two-thirds vote. That is why I say it is political posturing.

They assume that on the Senate side there will be a sufficient level of responsibility not to pass it. Of course on the Senate side, you have got a very interesting situation. Seventeen States, the least populous who represent only 10 percent of the population, are rep-

resented by, of course, 34 Senators. There are two Senators for every State. So those 17 States are represented by 34 Senators, which is just exactly the number you need to block the majority's will. All you need is one-third plus one.

So those 34 Senators have within their power to stop any revenue changes to the tax law if this constitutional amendment were to pass. Ten percent can change the will of the majority of 90 percent. What kind of a situation is that in the world's greatest democracy? In fact, let me get to the issue with regard to recognizing the wisdom of our Founding Fathers.

Article IX of the Articles of Confederation required this kind of supermajority to increase revenue. It did not work. And so when they convened in 1787, the Constitutional Convention, James Madison and others had the courage to stand up and say, this is not what we meant by our democracy. When we have tough votes, they need to be majority votes. The minority should not be able to control or to void the will of the majority. That is what this kind of constitutional amendment would do.

Mr. Speaker, it is also very bad public policy. If you want to make the tax system fairer, if you want to deal with the corporate and individual tax loopholes, if you want to change it into an income tax code that emphasizes savings and investment, you cannot do any of those things under this bill. It is bad public policy. It is hypocritical. It is inconsistent with the Constitution. I would hope my colleagues will vote this legislation down today.

#### HOUSE REPUBLICANS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Washington [Mr. McDERMOTT] is recognized during morning business for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, I include for the RECORD an editorial from the Seattle Times from April 12, 1996, the title of which is "A Republican Floor Show Only a Cynic Could Love." It is written by a woman named Terry Tang.

[From the Seattle Times, Apr. 12, 1996]

A REPUBLICAN FLOOR SHOW ONLY A CYNIC COULD LOVE

(By Terry Tang)

If the House Republicans intended people to tune them out as publicity-mad buffoons, they've done a terrific job.

The latest example of their effort is the upcoming vote on a constitutional amendment to require a two-thirds vote of Congress to increase taxes. A floor debate and vote will be staged on Monday, April 15, tax day. Don't be surprised if you've heard nothing about this. Neither have many members of Congress who've been on Easter break for the past two weeks.

The House Judiciary subcommittee held a hearing on an earlier version of the Tax Limitation Amendment last month. That version was so preposterously worded—it would have required a supermajority in Congress to alter

the tax laws in any way and would have applied even to raising tariffs on foreign products—that the amendment's sponsors decided it had to be reworked.

So on March 29, the day before the Easter recess, the House Rules Committee cobbled together and approved a totally new amendment more opaque in meaning than the original.

No one expects a serious constitutional debate next Monday. But rest assured, there will be plenty of on-camera time for congressman with sagging poll numbers.

Well before Republican leaders had the amendment language in hand, they had decided that April 15 was the perfect time to call a pep rally. How better to resuscitate the Contract with America than with a floor show featuring a spanking new constitutional amendment as prop?

As part of the coordinated media blitz, the Gingrichities were told to hold anti-tax town meetings in their home districts. The campaign is as contrived as a Burger King-Pocahontas promo. Rep. Randy Tate of the 9th District, for example, dutifully held two town hall meetings this week with special guest star Grover Norquist, president of Americans for Tax Reform, an anti-tax group that has made the constitutional amendment its top priority.

There's no way to separate the fakery from the legislation. But who nowadays seriously expects Congress to place deliberation above crass symbolism?

The tax amendment would even obstruct the tax reforms that Republicans have embraced. The GOP leaders apparently are so cynical—about both the fate of the amendment (the Senate is expected to put on the brakes should the House approve the thing) and meaningful tax reform—that they have no trouble promoting two ideas that are pretty much mutually exclusive.

The amendment language requires a two-thirds vote of Congress on tax measures unless the act does not "increase the internal revenue by more than a de minimus amount." The hurdle would make routine tax legislation nearly impossible.

There is no definition given of "internal revenue." Arguably, the only things not covered by the term are foreign tariffs, all other taxes being internally generated. So increasing user fees based on sound freemarket principles—such as national park entrance fees or grazing fees—would be subject to the limitation, as would closing loopholes and shutting down tax shelters.

But these are minor objections compared to the conundrum that ought to stop supplysiders cold. The amendment would apply to any legislation that increases revenue to the federal government; it does not deal with increases in tax rates per se.

Yet, the first principle of Reaganomics (and the rationale at the core of flat-tax schemes) is that cutting taxes—be it capital-gains taxes or income taxes—unleashes entrepreneurial energies that increase economic growth and therefore increase government's total tax receipts.

One argument to cut capital-gains tax rates is precisely that a cut would increase revenues in the short run as investors rush to liquidate assets to capture their capital gains. In a perverse twist, such a tax cut would be subject to two-thirds approval of Congress also.

The House leadership is well aware that enforcing any supermajority requirement on tax matters is unworkable. On the first day of Congress last year, the House, in a fit of revolutionary fervor, adopted a rule requiring a three-fifth majority on any bill raising federal income-tax rates. The rule has turned out to be only a gimmick.

The Republicans publicly touted their anti-tax scheme as a promise kept—and then

silently waived the rule whenever it proved inconvenient.

The House's Contract with America Tax Act inadvertently raised some tax rates while cutting others, and so needed a waiver. The budget reconciliation bill to cut the deficit raised a few rates, thus requiring another waiver.

The House's Medicare bill, by raising premiums on wealthy seniors, needed and got a waiver, as did the new health insurance reform act, which would impose a tax on some withdrawals from medical savings accounts.

The income-tax rule has nothing to do with governing, and everything to do with sloganeering. The proposed constitutional amendment is more of the same.

When the Republicans were the minority, reducing policy debates to bumper stickers came easily. They've yet to switch out of that mode. If they, as the party in power, don't care about the substance of legislation, who will? Somebody tell these people they're being paid to do more than pose for campaign spots and C-SPAN.

I say reading it when I got to my office today and thought somebody has got to talk about this issue.

Some weeks ago my son called me. He is in business school in California and asked me about something that was happening here in Washington, DC, and I proceeded to explain to him what I thought would happen. And he said, after I had finished, "Well, now I know what the cynics think."

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Mr. Speaker, I objected to that. I said, "No, I am giving you a realistic view of what is going to happen here in the Congress," and he said, "Dad, don't get excited. There were the idealists in Greece who wanted things a certain way, and then there were the cynics who actually looked at things as they really were and dealt with them." He said, "Cynicism has gotten a bad name because it has come to mean that we do one thing and try and create the impression that something is happening when, in fact, something else is happening, and the people then get cynical about what's happened."

What is going to happen today is the height of political cynicism because of what will be created. In fact, they choose the exact time they are going to start to debate, when folks in California are able to get to their TV's. They are not going to do it here at this time of day when people are at work in California. They are going to wait until later in the day. The vote will be taken at 9 o'clock tonight, 6 o'clock, when everybody is sitting down and eating, in California. This is a timed debate put on simply to make the American people think that we are going to control taxes.

Mr. Speaker, nothing could be further from the truth. As my colleague, the gentleman from Virginia, [Mr. MORAN], simply pointed out, I am a member of the Committee on Ways and Means. When this House came into session under this leadership, they said we are going to put in a rule that requires a 60-percent vote every time we raise taxes. So, through our Committee on Ways and Means things would come,

and we would raise our head and say, "Hey, how are you going to get the two-thirds vote for this out on the floor?"

And they said, "Well, we're going to waive the rule."

Three times, perhaps four times, I am not absolutely sure, they have waived that rule when they have brought things out here on the floor.

Now today they are going to come out and say we are going to pass a constitutional amendment that will prevent us from doing exactly what we have done in the last year and 3 months that the Republicans have controlled this House. They have no will to do what they believe. They simply want the people to cynically believe that they want that to happen. But they are never going to do it.

Now, cynicism is destructive in this society for one reason. People watching this debate are going to say to themselves why should I go and vote for that bunch of yahoos, whoever he is. I saw a bumper strip coming in from the airport last night that said, "Reelect nobody." Reelect nobody? Consider what that means. That means everybody on the floor of the House is going to be subject to people walking around thinking, well, if they were there under that kind of cynical baloney, I do not want them, and my view is that the American people are made cynical by this kind of behavior. There are some absolute realities that must be faced in this country if we are going to be serious.

Now, the first thing that this amendment, if it were to go into place, would say, is that all the cuts, anything that is going to happen in this country, is going to mean we have to reduce spending. We can never raise revenue, we cannot because two-thirds—we did not even get two-thirds on this floor when we were saving Social Security. Two-thirds of the Members did not vote to support Social Security. So all the old people who might be thinking about this, just remember, Mr. Speaker, they got to understand that we could not have saved Social Security on the floor of the House of Representatives in 1983 because there were not two-thirds of the Members who would vote for it.

So what we are saying here today is that we are going to cut things, and all the programs that people are now resting on, Social Security, Medicare, Medicaid, aid for student loans, all those things will be subject to a two-thirds vote. No matter what is going on in the world, no matter what the circumstances of our economy, no matter what happens, it will take two-thirds.

Now, as you heard the gentleman from Virginia [Mr. MORAN] say, that means the Senators from 17 States can block whatever is going on and the majority will no longer rule.

#### RECESS

The SPEAKER pro tempore (Mr. HOBSON). Pursuant to clause 12 of rule